

Message Text

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ACTION NEA-12

INFO OCT-01 EUR-25 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-04 RSC-01 PRS-01 SPC-03 SS-20 EB-11 AID-20 COME-00

TRSE-00 CIEP-02 OMB-01 *AJ-01 INT-08 SCEM-02 SCI-06

FRB-02 XMB-07 OPIC-12 LAB-06 SIL-01 ACDA-19 NIC-01

DRC-01 /200 W

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FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC IMMEDIATE 8768

INFO AMEMBASSY DACCA

AMEMSASSY ISLAMABAD

AMEMBASSY KATHMANDU

AMEMBASSY MOSCOW

AMCONSUL BOMBAY

AMCONSKM CALCUTTA

AMCONSUL MADRAS

C"O N F I D E N T I A L NEW DELHI 0061

E.O. 11652: GDS

TAGS: PFOR, IN

SUBJECT: MRS. GA*NDHI'S YEAR-END PRESS CONFERENCE

SUMMARY: MRS. GANDHI SHED LITTLE LIGHT ON HER FUTURE PLANS IN ECONOMIC, POLITICAL, OR FOREIGN POLICY AREAS. SHE MILDLY ENCOURAGED NEW ECONOMIC APPROACHES FROM THE US, EXPRESSED SATISFACTION THAT THE RUPEE AGREEMENT HAD BEEN REACHED, AND REFRAINED FROM ANY CRITICISM OF US FOREIGN POLICY ALTHOUGH SHE THREW IN AN OBLIQUE REFERENCE TO "UNHOLY INTEREST" OF SOME "FOREIGN AGENCIES" IN INDIAN COMMUNAL RIOTS. SHE WAS SOMEWHAT WARMER ABOUT THE USSR BUT NOT EFFUSIVE AND THE GREATER VOLUME OF HER REMARKS ON THE SOVIETS REFLECTED THE LARGER NUMBER OF QUESTIONS.

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SHE CONTINUES TO SHOW SIGNS OF NOT KNOWING LHERE HER POLICIES

ARE TAKING HER--OR OF WHERE SHE WANTS TO GO. END SUMMARY.

1. IN HER FIRST FORMAL PRESS CONFERENCE SINCE MID-1972, PRIME MINISTER GANDHI ANSWERED QUESTIONS FOR 90 MINUTES, ACCENTUATING THE POSITIVE, EMPHASIZING THAT MOST PROBLEMS REQUIRED GREATER PUBLIC COOPERATION, AND CONCLUDING THAT 1973 HAD REALLY NOT BEEN SUCH A BAD YEAR SINCE THE GOVERNMENT AND ECONOMY HAD PASSED THROUGH A VERY DIFFICULT PERIOD SAFELY.

2. SHE SAID INDIA WELCOMED CLOSER COOPERATION WITH THE US BUT "THERE YOU HAVE TO DEAL MORE WITH PRIVATE BUSINESS I SUPPOSE... IF THERE ARE ANY PROPOSALS FROM THE US WHICH ARE OF BENEFIT TO US, WE CERTAINLY ARE NOT GOING TO TURN THEM DOWN." SHE REFUSED TO BE DRAWN BY A QUESTION FROM AN AMERICAN CORRESPONDENT ON WHETHER THE SPENDING OF THE US EMBASSY IN NEW DELHI UNDER THE PL-480 RUPEE AGREEMENT SHOULD BE RENEGOTIATED IN VIEW OF THE DIFFICULT ECONOMIC SITUATION IN INDIA. "I DON'T THINK SO," MRS. GANDHI SAID BRIEFLY. "THIS AGREEMENT HAS BEEN REACHED AFTER MANY YEARS AND IT IS ALWAYS GOOD TO GET THE THINGS OFF THE SHELF AND DISPOSE OF THEM." RESPONDING TO A QUESTION ABOUT A SPEECH MADE TWO DAYS EARLIER BY THE CONGRESS PARTY PRESIDENT, S.D. SHARMA, ALLEGING FOREIGN INVOLVEMENT IN RECENT COMMUNAL DISTURBANCES IN UTTAR PRADESH, MRS. GANDHI EXPRESSED IGNORANCE AS TO WHAT EXTENT "FOREIGN AGENCIES ARE INVOLVED. BUT SOME OF THEM TAKE A RATHER UNHOLY INTEREST WHEN SUCH THINGS HAPPEN."

3. ON THE SOVIET UNION, MRS. GANDHI SAID SHE RESENTED ANY INSINUATION THAT BREZHNEV'S VISIT OR AGREEMENTS SIGNED BETWEEN INDIA AND THE USSR IMPINGED ON INDIA'S NON-ALIGNMENT OR INDEPENDENCE. THE SOVIETS HAD OFFERED TO HELP AND INDIA WAS NOT GOING TO REFUSE SUCH HELP IF ANY OTHER NATION WANTED TO GIVE IT. "BUT WE HAVE NOT BEGGED FOR HELP FROM ANY NATION AND EACH PROPOSAL HAS TO BE VIEWED INDEPENDENTLY" IN TERMS OF THE BENEFITS INDIA WOULD RECEIVE. RESPONDING TO A TASS QUESTION, SHE REITERATED THE BREZHNEV TRIP HAD BEEN SUCCESSFUL FROM THE INDIAN VIEWPOINT AND THAT THE AGREEMENTS REACHED WERE OF MUTUAL BENEFIT. IF THEY WERE PROPERLY IMPLEMENTED, WHICH SHE SAID SHE HAD NO REASON TO DOUBT THEY WOULD BE, THEY WOULD BE OF GREAT ASSISTANCE TO THE INDIAN ECONOMY. SHE EMPHASIZED THE ASIAN SECURITY SYSTEM

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QUESTION WAS NOT DISCUSSED WITH BREZHNEV AND THAT INDIA LOOKED AT THE QUESTION FROM ITS OWN POINT OF VIEW.

4. ON MOST ECONOMIC ISSUES, MRS. GANDHI FENCED AND DODGED. THE PUBLIC AND PRIVATE SECTOR WERE BOTH NECESSARY FOR INDIA. THE PRIVATE SECTOR HAD TO SHOW MORE VIGOR. THE PUBLIC SECTOR HAD ITS FAULTS BUT WASN'T AS BAD AS PEOPLE SOMETIMES COMPLAINED. "MIDDLEMEN" WERE SOMETIMES INDISPENSIBLE AND HAD SPECIALIZED

KNOWLEDGE WHICH COULD NOT BE DONE WITHOUT. SHE DID NOT INTEND TO FORMALIZE A MORATORIUM ON STRIKES BUT FELT THAT, IN AN EMERGENCY, WORKERS SHOULD SHOW RESTRAINT. SHE DID NOT THINK THE PRESENT WAS THE TIME TO ELIMINATE THE NATIONAL STATE OF EMERGENCY IN FORCE. PETROLEUM PRICES WERE A PROBLEM BUT THE GOVERNMENT WAS WORKING ON IT.

5. ON PAKISTAN, MRS. GANDHI THOUGHT IT WAS UP TO PAKISTAN TO RESPOND TO INDIA'S SUGGESTION FOR DISCUSSIONS ON TRADE AND OTHER MATTERS. "I DON'T THINK IT WILL BE VERY HELPFUL" JUST TO HAVE DIPLOMATIC RELATIONS WITHOUT DEALING WITH THESE OTHER ISSUES. NOR DID SHE THINK THE TIME WAS RIPE FOR PAYING A "COURTESY CALL" IN PAKISTAN. MRS GANDHI SAID THAT PAKISTAN HAD NOW REPLENISHED ITS MILITARY STOCKS LOST DURING THE 1971 WAR AND INDIA WAS CONCERNED AND HAD EXPRESSED ITS VIEWS TO VARIOUS COUNTRIES THAT, IF PAKISTAN CONTINUED TO ACCUMULATE "LETHAL WEAPONS AND MILITARY EQUIPMENT, IT CAN BE A SOURCE OF TENSION AND FUTURE CONFLICT ON OUR SUBCONTINENT."

6. FINALLY, MRS. GANDHI CONCLUDED WITH A CALL FOR A "NEW LIFE STYLE" PLACING LESS EMPHASIS ON MATERIAL GOODS. "...NOT THAT I AM AGAINST ANY PARTICULAR CIVILIZATION, BUT WE HAVE RATHER BLINDLY FOLLOWED THE INDUSTRIAL PATTERN SET BY CERTAIN ADVANCED NATIONS. NOW, DOES THAT PATTERN SUIT INDIA? CAN WE EVER ELIMINATE POVERTY OR BRING ABOUT OR LESSEN DISPARITY IF WE FOLLOW THAT PATTERN? THIS IS A MAJOR QUESTION WHICH TODAY IS ARISING IN THE MINDS OF EVERYBODY, EVEN IN THE HIGHLY INDUSTRIALIZED COUNTRIES. BUT FOR US IT IS EVEN MORE RELEVANT BECAUSE WE ARE AT A STAGE OF DEVELOPMENT WHEN IT IS EASY
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*** Current Classification *** CONFIDENTIAL

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